



*For*  
**Active Defined Benefit  
Members**

Montana Public Employee Retirement Administration

July 2008

**T**his annual newsletter provides information to members who are covered under the following retirement systems administered by the Montana Public Employees' Retirement Board (PERB):

- Public Employees' (**PERS**)
- Highway Patrol Officers' (**HPORS**)
- Game Wardens' and Peace Officers' (**GWPORS**)
- Firefighters' Unified (**FURS**)
- Judges' (**JRS**)
- Sheriffs' (**SRS**)
- Municipal Police Officers' (**MPORS**)
- Volunteer Firefighters' Compensation Act (**VFCA**)

## A Message From The Executive Director

Dear Valued Member:

In March, we said goodbye to two long-standing members of the Public Employees' Retirement Board (PERB). Troy McGee served for 20 years as a PERS retired member. Robert Griffith served for 10 years as a member at large. Mr. McGee and Mr. Griffith ensured membership needs were balanced with their fiduciary responsibility of maintaining actuarially sound trust funds. We thank them for their dedication and service on behalf of all members, retired members and the plans.

Governor Schweitzer has appointed two new members to the PERB – Dianna Porter and Darcy Halpin. Ms. Porter resides in Butte, and has a law degree, a master's degree in gerontology and a post graduate diploma in economic principles. Ms. Halpin resides in Belgrade and is a recent PERS retiree. She worked at Montana State University – Bozeman for 25 years working in extended studies and then human resources. We look forward to their contributions to the Board.

Whether you are just starting your career in public service, have been working awhile or nearing the end of your career and looking forward to retirement - you are important to us. You should be taking an interest in your retirement plans at all levels of your career. Your retirement benefit will be one of your largest assets – planning ahead will ensure you are informed of your plan provisions, determining additional resources (e.g. deferred compensation plans, IRAs social security) and aware of your

retirement needs. The end result will be the ability to enjoy the retirement you desire.

While planning ahead, don't forget to review and update your information on file with MPERA. One of the tools we provide you with is your *Annual Statement*. Please review your Annual Statement and contact us if you have any concerns. Addressing questions timely will avoid issues when you are ready for retirement. Remember to:

- ♦ Review your Annual Statement carefully.
- ♦ Keep your beneficiary information up to date.
- ♦ Inform your payroll clerk of address changes.
- ♦ Ensure your family knows how to contact us.

Currently, we are working on closing out the fiscal year and planning ahead toward the 2009 legislative session. We will keep you informed of retirement legislation through newsletters and our website. The Board's legislative committee meetings agendas and minutes will be posted to our website.

The Public Employees' Retirement Board and the staff at MPERA have a reputation of providing quality service while keeping the systems actuarially sound. Please let us know if you have any questions.

Enjoy our beautiful state this summer!

Governor  
Brian Schweitzer

Public Employees'  
Retirement Board

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JAY KLAWON  
Hamilton

*Vice President*  
JOHN PAULL  
Butte

TERRENCE SMITH  
Bozeman

RAY PECK  
Helena

JOHN NIELSON  
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*Should any information in this newsletter  
conflict with statute or rules, the statute  
or rules will apply.*

# YOUR ANNUAL MEMBERSHIP STATEMENT

In mid-July, MPERA will send to you your Annual Membership Statement. Since it is mailed to your home, it is very important to make sure your payroll clerk has your current address. When you receive your Annual Membership Statement, check it over carefully. If you feel that any of the information is incorrect, send a copy of the Statement with notations identifying your concerns to MPERA.

This Statement is informational only. Several assumptions are made when determining these estimates, including that you will work full-time until the ages/years indicated. The following is an example of a PERS statement.

**Member Information.** Name, address, birthday and the last four digits of your social security number.

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**Disclaimer.** The annual statement is only an estimate and assumes full-time employment. Please read carefully.

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**Service Credit.** The total amount of service credit, including any One for Five purchased, or being purchased.

.....

**Alternate Accessible Formats.** If you require your annual statement in an alternate format, contact MPERA.



**MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION**  
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**Defined Benefit Retirement Plan Annual Statement**  
**As of June 30, 2008**  
**Public Employees' Retirement System (PERS)**

DOB

SSN

Check all information on both sides of this statement. If you have questions, mail a copy of this statement to MPERA with notations identifying your concerns. Address corrections must be given to your payroll clerk.

**BENEFICIARY INFORMATION**

To change your beneficiary, you must provide you payroll clerk with an updated membership card.

DISCLAIMER—This statement is informational only. Values shown are ESTIMATES and assume full-time employment. Actual retirement calculations are based on records on file with the Board, not on the information on this statement. Should any information in this statement conflict with statute or rule, statute or rule will apply. Retirement calculations use actuarial factors currently in effect. If those factors change, the estimates may also change.

While you are employed in a PERS-covered job, you must make contributions to PERS. When you retire, or terminate from that employment, may be eligible for a monthly benefit or refund.\*

COMPARING YOUR CONTRIBUTIONS TO THE VALUE OF YOUR BENEFIT				
		Amount of Your Contributions	Lifetime Value of Your Retirement Benefit	Initial Monthly Benefit (Based on Assumptions)
Your Required Contributions Through June 30, 2008		\$	\$	\$
Total Cost of Service Purchase Contracts Upon Completion		\$	\$	\$
If You Continue Contributing Until	Age	\$	\$	\$
	Age	\$	\$	\$
	Age	\$	\$	\$
	Age	\$	\$	\$

\*The Above Information is Based on Certain Assumptions\*  
 \*See Reverse Side for Detailed Explanation of Assumptions and Your Statement\*

Service Credit	years	mos as of statement date	
Service Credit for Employment	years	mos as of statement date	
Service Credit Purchased/Transferred	years	mos when completed	
Service Credit Purchase in Progress	years	mos as described	
Total Years of Service Credit	years	mos as of statement date	
One for Five Service Purchased/in Progress	years	mos as of statement date	

\*When you terminate your employment, instead of a monthly benefit for life, you may receive a lump-sum refund of your contributions plus interest. Your refund amount as of June 30, 2008 was \$ \*

Alternative accessible formats of this document will be provided upon request.  
 Contact MPERA.

**Beneficiary Information.** This is your current beneficiary information on file at MPERA. If this information is incorrect, a new membership card must be filed with MPERA.

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**Comparing Your Contributions to the Value of Your Benefit.** The amount of contributions, the assumed lifetime value of retirement benefit and the initial monthly benefit, are all based on assumptions.

.....

**Lump-sum Refund.** As of June 30, 2008, the amount if you received a refund of your account.

The Annual Statements for different retirement systems such as MPORS, GWPORS and FURS will have a similar look, but will list different requirements, such as years rather than ages. Consult the MPERA website for information on your particular retirement system.

Your feedback is important. If you contact us by email, MPERA recommends that you do not include private data such as social security numbers, bank routing numbers, or other confidential information.

## A CLOSER LOOK

COMPARING YOUR CONTRIBUTIONS TO THE VALUE OF YOUR BENEFIT				
		1	2	3
		Amount of Your Contributions	Lifetime Value of Your Retirement Benefit	Initial Monthly Benefit (Based on Assumptions)
Your Required Contributions Through June 30, 2008		\$	\$	\$
Total Cost of Service Purchase Contracts Upon Completion		\$	Assuming termination on or before the statement date and your benefit starting at age 60 or your current age, if greater.	Assuming termination on or before the statement date and your benefit starting at age 60 or your current age, if greater.
If You Continue Contributing Until	Age	\$	\$	\$
	Age	\$	\$	\$
	Age	\$	\$	\$
	Age	\$	\$	\$

**Column #1-Amount of Your Contributions.** This column shows the amount you contributed as of June 30, 2008, the total cost of your completed service purchase contracts and your future retirement contributions if you continue to work until the indicated age (or years in certain retirement systems).

**Column #2-Lifetime Value of Your Retirement Benefit.** This column shows the **estimated** value of the total retirement benefit you will receive over your lifetime.

- ◆ If you stopped contributing as of June 30, 2008, the first amount will be your total lifetime benefit, beginning at age 60 (or your current age if you are older). This assumes you have completed any current service purchase contracts in progress.
- ◆ The amounts listed below your total lifetime benefit are your **estimated** lifetime benefits if you continue to contribute until the listed ages (or years in certain retirement systems).

**Column #3-Initial Monthly Benefit.** This column indicates the initial monthly benefit payment you will receive for the rest of your life.

- ◆ The first amount is your initial (first) monthly benefit which will begin at retirement age based on your retirement system, if you were to stop contributing as of June 30, 2008. This also assumes that you have completed all your current service purchase contracts, if any.
- ◆ The amounts below the initial monthly benefit are your initial monthly benefits if you were to continue contributing to MPERA until you retire at the corresponding age (or years) indicated. Again this assumes that you have finished all service purchase contracts in progress, if any.

The salary used to calculate future contributions and benefits assumes an annual salary increase. Your lifetime benefit may include a guaranteed annual benefit adjustment (GABA). The percentage used to calculate your GABA is dependant on the date you began to work and retirement system you are under.

## ARE YOU REALLY RETIRED?

**I**n order to be considered officially “retired”, you must meet both MPERA’s and the federal requirements for retirement.

**First**, you must meet the age and service membership requirements to qualify for a MPERA pension. For PERS members, if any of the following criteria is met, you are eligible for retirement:

1. You must be 60 years old and have five years of membership service. (You get one month of membership service for any month you contribute to PERS, regardless of the number of hours you worked that month.)
2. You must be age 65 and in active service.
3. You must have 30 years of membership service, and can be any age.

Members of other retirement systems, such as Sheriffs’, have different age and membership service requirements. Be sure to check into what the require-

ments are for your system.

**Second**, you must have received your first retirement benefit.

**Third**, you must sever all working relationships with your employer and cannot be employed in public service for at least 30 days. This includes working as an independent contractor, consultant or an employee of a contracting firm.

**Fourth**, you cannot have an agreement to come back to work with your employer. This means both a written or a verbal agreement.

These requirements may seem stringent, but they protect MPERA’s tax-qualified status under Section 401(a) of the Internal Revenue Code. MPERA takes this status very seriously because this status is what allows you to defer paying income tax on your contributions until after you retire. And your retirement is what MPERA is all about.

## RETIREMENT QUIZ

**How much do you know about your retirement? Take this quiz and find out!**

1. How many years of membership service must I have before I am eligible to draw a monthly benefit?
  - A. 5 years.
  - B. 25 years.
  - C. 30 years.
2. Before I decide to retire, I should:
  - A. Attend a Pre-Retirement Seminar.
  - B. Contact MPERA and request a retirement benefit estimate.
  - C. Contact a financial advisor to assist me with my decisions.
3. Can I increase the amount of my monthly contributions to increase my retirement benefit?
  - A. Yes, I can pay as much as I want.
  - B. No, the amount I contribute is set by statute and cannot change.
  - C. Yes, but for no more than five years.
4. If I terminate my employment and have no plans to return to a job covered by MPERA:
  - A. I can take a refund of my contributions, and my employer’s contributions.
  - B. I can take a refund of only my contributions.
  - C. I can’t take any refunds, the money is gone.



*See back page for answers.*

## RETIRING RIGHT!

**A**s you start to think about retiring, MPERA can help in your transition from being employed to retirement. Before you start the process of retiring, you need to decide when you would like to retire. Six months before that date, you should contact MPERA and request a retirement estimate. Depending on the time of year (some seasons are more popular for retiring than others) it may take from four to six weeks to process your estimate. After you receive your estimate, you may want to talk to a financial advisor. It is very important to know if you are financially ready to retire.

Along with your estimate, you will receive the following forms:

- ◆ an Important Form;
- ◆ your Retirement Application;
- ◆ a Tax Withholding Certificate; and
- ◆ a Direct Deposit Form.

Your estimate is good for 90 days. After that, you should request a new one.

After you decide that you are ready to retire, you must complete the Important Form and the Retirement Application and return them to MPERA. Documents you will need to send with the forms are certified copies of birth certificates for you and your contingent annuitant. If you do not have a birth certificate, a complete list of acceptable documents is available in our Steps To Retirement Brochure, which can be found on our website at <http://mpera.mt.gov/> under the Publications tab.

You should file your application 30 to 90 days before your retirement date to allow us time to process your application. You will then receive a letter from MPERA confirming receipt of your application.

Congratulations! You are on your way to retirement! We strongly encourage you to fill out the Direct Deposit Form to ensure you receive your monthly benefit on time. For further information about retirement, you can attend a Steps to Retirement or Pre-Retirement Seminar (see below).

## Interested in learning more about your retirement? Attend a workshop!



**M**PERA offers retirement workshops for everyone from new employees to members who are thinking about retiring. These popular workshops are full of valuable information regarding your retirement system.

**NEW HIRE WORKSHOP** This workshop is for a PERS member in the first year of their employment. This 90 minute in-depth workshop covers both the Defined Benefit and Defined Contribution plans and provides new employees an opportunity to ask questions about their plan choice.

**457 WORKSHOP** Whether you're a 457 Plan participant or just interested in the possibilities, your Great-West Retirement Services representative will shed light on your deferred compensation plan.

**STEPS TO RETIREMENT** This workshop is intended for PERS Defined Benefit Plan members who are within five years of retirement. It provides members a chance to review the Defined Benefit Plan and ask questions. Members of other retirement systems are encouraged to attend as the information will be similar for your system.

**PRE-RETIREMENT SEMINARS** Under the joint sponsorship of the Public Employee's Retirement Board and the Professional Development Center, pre-retirement planning seminars are conducted about four times a year. The Pre-Retirement Seminars are intended for anyone within ten years of retirement. The seminar looks at the physical, mental, and financial aspects of retirement including Social Security and state retirement benefits, estate planning, diet, exercise and the mental adjustment to retirement.

You can sign up to attend a workshop on our website at <http://mpera.mt.gov/>.

*Continued from page 4.*

## Answers

1. **A.** 5 Years. When you complete 5 years of membership service, you become a “vested” member. Once you are vested, your retirement system guarantees you a monthly benefit for your lifetime upon meeting the other eligibility requirements.
2. **All the answers are correct..**
3. **B.** No, the amount you can contribute to your retirement plan is set by statute and cannot change. However, you can purchase additional service.
4. **B.** You can take a refund, but for only the amount of your contributions, plus any interest credited to your account.

How did you do? If you would like to know more about your retirement, you can learn much more by attending a retirement seminar, or visiting the MPERA website at <http://mpera.mt.gov/>.

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